

**136.506 Inapplicability of KRS 136.505 after January 1, 2021 -- Financial institutions subject to corporation income tax, limited liability entity tax, and applicable local government franchise taxes after January 1, 2021 -- Short-year returns.**

- (1) Beginning January 1, 2021, the state bank franchise tax under KRS 136.505 shall no longer apply to financial institutions.
- (2) Beginning January 1, 2021, all financial institutions shall be subject to the corporation income tax under KRS 141.040 and the limited liability entity tax under KRS 141.0401. Notwithstanding KRS 141.040 and 141.0401, any financial institution operating on a fiscal year basis shall file a short-year corporation income and limited liability entity tax return and pay any tax due thereon for the period beginning January 1, 2021, through the end of the financial institution's normal fiscal year. The department may issue guidance regarding the filing of the short-year return.
- (3) Financial institutions shall be subject to all applicable local government franchise taxes imposed under KRS 136.575.

**Effective:** June 27, 2019

**History:** Created 2019 Ky. Acts ch. 196, sec. 8, effective June 27, 2019.